

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other				Local Government Name		County	
Audit Date		Opinion Date		Date Accountant Report Submitted to State:			

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☐ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☐ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☐ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☐ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☐ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☐ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☐ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☐ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			
Reports on individual federal financial assistance programs (program audits).			
Single Audit Reports (ASLGU).			

Certified Public Accountant (Firm Name)				
Street Address		City	State	ZIP Code
Accountant Signature			Date	

TOWNSHIP OF LYNDON

REPORT ON AUDIT
OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2005

TOWNSHIP OF LYNDON

TOWNSHIP OFFICIALS

Supervisor - Maryann Noah
Clerk - Linda Reilly
Treasurer - Mary Jane Maze

TOWNSHIP BOARD

Kathryn Francis
Mary Jane Maze
Maryann Noah
Linda Reilly
LeeAnn Shanahan

TOWNSHIP ATTORNEY

Keusch and Flintoff, P.C.

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

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PFEFFER ■ HANNIFORD ■ PALKA

Certified Public Accountants

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July 18, 2005

Board of Trustees
Township of Lyndon
17751 N. Territorial Road
Chelsea, Michigan 48118

INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Lyndon as of and for the year ended March 31, 2005, which collectively comprise the Township of Lyndon's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Lyndon's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Lyndon as of March 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the Township has implemented a new financial reporting model as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of March 31, 2005.

The Management's Discussion and Analysis and other Required Supplementary Information on pages 7 through 12 and 36 through 37 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Lyndon's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, such as the combining and individual fund statements, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on them.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

MANAGEMENT DISCUSSION
AND
ANALYSIS

Management Discussion and Analysis

March 31, 2005

Within this section of the Township of Lyndon's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended March 31, 2005. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Township's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Township also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Township's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Assets. This is the Township-wide statement of position presenting information that includes all the Township's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating. Evaluation of the overall health of the Township may extend to various nonfinancial factors as well.

The second government-wide statement is the Statement of Activities which reports how the Township's net assets changed during the current fiscal year. The design of this statement is to show the financial reliance of the Township's distinct activities or functions on the revenues generated by the Township.

Governmental activities include such activities as general government, public safety, and planning and zoning departments. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

The Township's financial reporting includes all the funds of the Township (primary government) and, additionally, organizations for which the Township is accountable (component units).

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the combining statements later in this report.

The Township has two kinds of funds:

Governmental funds are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net assets.

Fiduciary funds are reported in the fiduciary fund financial statements, but are excluded from the government-wide statements. Fiduciary fund financial statements report resources that are not available to fund Township activities.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

Financial Analysis of the Township as a Whole

The Township has implemented the new financial reporting model used in this report beginning with the current fiscal year ended March 31, 2005. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Township as a whole.

The Township's net assets at the end of the fiscal year were \$2,207,629. This is a \$1,121,857 decrease over last year's net assets of \$3,329,486.

The following tables provide a summary of the Township's financial activities and changes in net assets:

Summary of Net Assets

	Governmental Activities
	<hr/>
Current and other assets	\$ 7,354,041
Capital assets	204,626
Total assets	<hr/> 7,558,667 <hr/>
Accounts payable and accrued expenses	103,806
Bonds payable	5,247,232
Total liabilities	<hr/> 5,351,038 <hr/>
Net assets:	
Invested in capital assets, net of related debt	204,626
Unrestricted	2,003,003
Total net assets	<hr/> \$ 2,207,629 <hr/>

Summary of Changes in Net Assets

	Governmental Activities
Revenues:	
Program revenues	
Charges for services	\$ 73,738
Operating contributions	1,364,820
Capital grants	5,000
General revenues	
State shared revenues	168,648
Property taxes	81,142
Interest income	436,082
Other income	4,099
Total revenues	<u>2,133,529</u>
Expenses	
General government	314,248
Fire protection	111,709
Sewer system project	2,613,930
Public works	19,388
Interest on long-term debt	196,111
Total expenses	<u>3,255,386</u>
Changes in net assets	(1,121,857)
Beginning net assets	<u>3,329,486</u>
Ending net assets	<u><u>\$ 2,207,629</u></u>

Financial Analysis of the Township's Funds

Lyndon Township reported four major funds for the year ended March 31, 2005. These funds included:

- General Fund
- Fire Fund
- Multi-Lake Phase II Debt Service Fund
- Sugarloaf Debt Service Fund

The General Fund decreased its fund balance by \$8,932 while still making transfers of \$60,028 primarily to the fund the new Township hall project. Revenues over expenditures for the year was \$51,096.

The Fire Fund had revenues over expenditures totaling \$49,515. This is typical for this fund as it receives special assessments virtually equal to the cost of contracting fire protection services.

The Multi-Lake Phase II Debt Service Fund had revenues over expenditures totaling \$151,041 and transferred out \$30,100 to Multi-Lake Phase I to assist in the payoff of the related bonds. An operating transfer back is likely to occur within the next fiscal period to reimburse phase II.

The final major fund, the Sugarloaf Debt Service fund issued \$2,613,765 of bonds to finance the \$2,613,930 of project costs incurred to participate in an area sewer authority. These amounts paid are not capitalized since ownership of the system remains with the Authority.

General Fund Budgetary Highlights

The Township approved a budget prior to the start of the fiscal year expenditures exceeded appropriations in two activities.

Capital Asset and Debt Administration

The Township purchase \$68,193 of new capital assets. A total of \$63,193 was spent for various township building and land improvements and \$5,000 for voting equipment purchase from grant funds.

The Township issued \$2,613,765 of debt in the Sugarloaf Debt Service Fund to finance the project costs for residents to hook into the Sylvan Township water and sewer system.

A total of \$671,819 of principal was paid on the outstanding bonds payable debt of the Township with a principal owed of \$4,953,413.

The Multi-Lake Phase I bonds were called by the Township due to the large interest rates on the debt. Funds were transferred from Phase II to assist in calling these bonds totaling \$30,100.

Economic Conditions and Future Activities

Anticipated future decreases in state revenue sharing could have a substantial effect on operations for subsequent periods. The Township will be continuing its effort to create reserves for future capital improvements.

Contacting the Township's Financial Management

This report is designed to provide a general overview of the Township's financial position and comply with finance-related regulations. If you have any further questions about this report or request additional information please contact the Township of Lyndon at 17751 N. Territorial Road, Chelsea, MI 48118.

BASIC
FINANCIAL
STATEMENTS

GOVERNMENT-WIDE
FINANCIAL
STATEMENTS

TOWNSHIP OF LYNDON
STATEMENT OF NET ASSETS
MARCH 31, 2005

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 2,817,454
Receivables	
Taxes	49,829
Special assessments	4,077,446
State	376,232
Accounts	19,687
Prepaid expenditures	13,393
Capital assets:	
Land	108,310
Buildings and improvements	103,893
Equipment	10,017
Less accumulated depreciation	<u>(17,594)</u>
Total assets	<u>7,558,667</u>
LIABILITIES	
Accounts payable	4,259
Accrued interest payable	99,547
Bonds payable	
Current	293,819
Non-current	<u>4,953,413</u>
Total liabilities	<u>5,351,038</u>
NET ASSETS	
Investment in capital assets, net of related debt	204,626
Unrestricted	<u>2,003,003</u>
Total net assets	<u>\$ 2,207,629</u>

The notes are an integral part of these financial statements.

TOWNSHIP OF LYNDON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2005

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Assets
GOVERNMENTAL ACTIVITIES					
General government	\$ (314,248)	\$ 67,647	\$	\$ 5,000	\$ (241,601)
Fire protection	(111,709)	3,652			(108,057)
Sewer system project	(2,613,930)		1,364,820		(1,249,110)
Parks and recreation					
Public works	(19,388)	2,439			(16,949)
Interest on long-term debt	(196,111)				(196,111)
Total governmental activities	<u>\$ (3,255,386)</u>	<u>\$ 73,738</u>	<u>\$ 1,364,820</u>	<u>\$ 5,000</u>	<u>(1,811,828)</u>
General revenues					
Property taxes					81,142
State shared revenues					168,648
Unrestricted interest earnings					
Cash and equivalents					34,034
Special assessments					402,048
Other income					<u>4,099</u>
Total general revenues					<u>689,971</u>
Changes in net assets					(1,121,857)
Net assets, April 1, 2005					<u>3,329,486</u>
Net assets, March 31, 2005					<u>\$ 2,207,629</u>

The notes are an integral part of these financial statements.

FUND
FINANCIAL
STATEMENTS

TOWNSHIP OF LYNDON
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2005

	<u>General</u>	<u>Fire</u>	<u>Multi-Lake Phase II Debt Service</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 241,266	\$ 117,956	\$ 1,204,837
Receivables			
Special assessments			1,980,292
Taxes	6,864	8,864	18,060
State shared revenues	26,232		
Accounts	19,687		
Due from other funds	6,363	30,056	
Prepaid expenditures		13,393	
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 300,412</u>	<u>\$ 170,269</u>	<u>\$ 3,203,189</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities			
Accounts payable	\$ 736	\$	\$ 47,983
Accrued interest			148,504
Matured bonds payable			
Due to other funds	39,942		
Deferred revenues			1,980,292
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>40,678</u>	<u> </u>	<u>2,176,779</u>
Fund Balance			
Unreserved	259,734	170,269	
Designated			
Debt service			1,026,410
Waste removal			
	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>259,734</u>	<u>170,269</u>	<u>1,026,410</u>
Total liabilities fund balance	<u>\$ 300,412</u>	<u>\$ 170,269</u>	<u>\$ 3,203,189</u>

The notes are an integral part of the financial statements.

<u>Sugarloaf Debt Service</u>	<u>Other Non-major Funds</u>	<u>Totals</u>
\$ 1,069,194	\$ 184,201	\$ 2,817,454
1,973,764	123,390	4,077,446
13,928	2,113	49,829
350,000		376,232
		19,687
		36,419
		<u>13,393</u>
<u>\$ 3,406,886</u>	<u>\$ 309,704</u>	<u>\$ 7,390,460</u>

\$	\$	\$ 736
51,564		99,547
145,315		293,819
		39,942
<u>1,973,764</u>	<u>123,390</u>	<u>4,077,446</u>
<u>2,170,643</u>	<u>123,390</u>	<u>4,511,490</u>
	165,212	595,215
		2,278,571
1,236,243	15,918	
	<u>5,184</u>	<u>5,184</u>
<u>1,236,243</u>	<u>186,314</u>	<u>2,878,970</u>
<u>\$ 3,406,886</u>	<u>\$ 309,704</u>	<u>\$ 7,390,460</u>

TOWNSHIP OF LYNDON
RECONCILIATION OF STATEMENT OF NET ASSETS
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET
MARCH 31, 2005

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Total fund balance per balance sheet		\$ 2,878,970
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Historical cost	\$ 222,220	
Depreciation	<u>(17,594)</u>	
Capital assets, net of depreciation		204,626
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:		
Bonds payable (long-term portion)		(4,953,413)
Deferred revenues on special assessments was recognized as revenue in the government-wide statements. Assessments are income as they are assessed.		<u>4,077,446</u>
Net assets of governmental activities		<u>\$ 2,207,629</u>

The notes are an integral part of the financial statements.

LYNDON TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2005

	<u>General</u>	<u>Fire</u>	<u>Multi-Lake Phase II Debt Service</u>
REVENUES			
Taxes	\$ 81,142	\$	\$
Special assessments		156,643	440,614
Licenses and permits	18,610		
State shared revenues	168,648		
Grant - state	5,000		
Utility user fees			
Charges for services	49,037	3,652	
Interest	5,909	929	4,347
Miscellaneous	<u>3,375</u>		
Total revenues	<u>331,721</u>	<u>161,224</u>	<u>444,961</u>
EXPENDITURES			
General government	269,477		
Fire protection		111,709	
Sewer project costs			
Public works	11,148		
Debt service			
Principal			178,205
Interest and fees			<u>115,715</u>
Total expenditures	<u>280,625</u>	<u>111,709</u>	<u>293,920</u>
Excess of revenues over (under) expenditures	51,096	49,515	151,041
OTHER FINANCING SOURCES (USES)			
Bond proceeds			
Transfers in			
Transfers out	<u>(60,028)</u>		<u>(30,100)</u>
Total other financing sources (uses)	<u>(60,028)</u>		<u>(30,100)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	(8,932)	49,515	120,941
FUND BALANCE, - APRIL 1 2004	<u>268,666</u>	<u>120,754</u>	<u>905,469</u>
FUND BALANCE, MARCH 31, 2005	<u>\$ 259,734</u>	<u>\$ 170,269</u>	<u>\$ 1,026,410</u>

The notes are an integral part of the financial statements.

<u>Sugarloaf Debt Service</u>	<u>Other Non-major Funds</u>	<u>Totals</u>
\$	\$	\$
480,109	22,462	81,142
		1,099,828
		18,610
		168,648
		5,000
9,685	10,920	20,605
	2,439	55,128
13,733	9,116	34,034
<u>724</u>		<u>4,099</u>
<u>504,251</u>	<u>44,937</u>	<u>1,487,094</u>
	107,827	377,304
		111,709
2,613,930		2,613,930
	8,240	19,388
145,316	348,300	671,821
<u>51,563</u>	<u>28,831</u>	<u>196,109</u>
<u>2,810,809</u>	<u>493,198</u>	<u>3,990,261</u>
(2,306,558)	(448,261)	(2,503,167)
2,613,765		2,613,765
	90,128	90,128
		<u>(90,128)</u>
<u>2,613,765</u>	<u>90,128</u>	<u>2,613,765</u>
307,207	(358,133)	110,598
<u>929,036</u>	<u>544,447</u>	<u>2,768,372</u>
<u>\$ 1,236,243</u>	<u>\$ 186,314</u>	<u>\$ 2,878,970</u>

TOWNSHIP OF LYNDON
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2005

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - governmental funds	\$ 110,598
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Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives as depreciation expense. The amount by which capital outlays exceeded depreciation is as follows:

Capital outlay	\$ 68,193	
Depreciation expense	<u>(5,137)</u>	
Net capital assets		63,056

Repayment of bond and contracts payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets

Repayment of:	
Bonds payable	671,819

Proceeds from long-term debt provide current financial resources to governmental funds, but the issuing of debt increase long-term liabilities in the Statement of Activities

(2,613,765)

Principal received on special assessments are income as they are levied annually for governmental funds, but they are income when they are levied for the Statement of Activities.

Special assessments levied	1,344,215	
Principal collected on assessments	<u>(697,780)</u>	
Net		<u>646,435</u>

Change in net assets of governmental activities	<u>\$ (1,121,857)</u>
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The notes are an integral part of the financial statements.

TOWNSHIP OF LYNDON
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
MARCH 31, 2005

	<u>Current Tax Collection</u>	<u>Trust and Agency</u>	<u>Totals</u>
ASSET			
Cash	\$ 12,001	\$ 33,340	\$ 45,341
Due from other funds	<u> </u>	<u>10,581</u>	<u>10,581</u>
Total assets	<u>\$ 12,001</u>	<u>\$ 43,921</u>	<u>\$ 55,922</u>
LIABILITIES			
Due to other funds	\$ 7,058	\$	\$ 7,058
Due to others	<u>4,943</u>	<u>43,921</u>	<u>48,864</u>
Total liabilities	<u>\$ 12,001</u>	<u>\$ 43,921</u>	<u>\$ 55,922</u>

NOTES
TO
FINANCIAL
STATEMENTS

TOWNSHIP OF LYNDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township of Lyndon is a general law township located in the northwest corner of Washtenaw County.

The accounting policies of the Township of Lyndon conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

A. BASIC FINANCIAL STATEMENTS

In accordance with GASB Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. Governmental fund types are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Generally, the effect of interfund activity has been removed from the government-wide financial statements.

The government-wide Statement of Net Assets reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net assets, with the assets and liabilities shown in order of their relative liquidity. Net assets are required to be displayed in three components: 1) invested in capital assets 2) restricted, and 3) unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net assets are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, laws, or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted. Generally, the Township would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The government-wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Township are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expense between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

LYNDON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Also, part of the basic financial statements are fund financial statements for the governmental funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures of fund category and of the governmental funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds are combined in a single column on the fund financial statements.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire Fund accounts for the Township's fire protection services. This fund is primarily funded through special assessments collected.

The Multi Lake Phase II Debt Service Fund accounts for the debt servicing activities related to the Township's participation in an area sewer authority. The debt is service from the special assessments collected to repay bonds issued.

The Sugarloaf Debt Service Fund accounts for the project costs and related debt service to connect residents to an area sewer authority. Special assessment bonds were issued to finance these connections.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The governmental fund financial statements are prepared on a modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

- A. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, licenses, fees and permits, intergovernmental revenues, charges for services and interest.
- B. Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
- C. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as another financing source.

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balances as a measure of available spendable resources.

LYNDON TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the Township's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs.

C. CAPITAL ASSETS

Under GASB Statement No. 34, all capital assets whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Land is considered a capital asset regardless of initial cost. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings, structures and improvements	10 to 50 years
Machinery and equipment	5 to 40 years

Any capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

TOWNSHIP OF LYNDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. BUDGETARY DATA

The board of trustees follow the procedures as outlined in the Uniform Budgeting Manual for Local Units of Government in Michigan in the establishment of the various annual budgets.

The supervisor prepares the annual budgets through information received by the clerk. The proposed budget is then submitted for discussion and approval by the entire Township board. The budget is approved by activity, rather than line by line. If and when it becomes necessary to amend certain amounts in the budget, a proposal outlining the desired changes is made to and approved by the Township board at any of their regular meetings. Budget appropriations made but not expended by year end will lapse with the fiscal year end. Expenditures exceeded appropriations in several activities.

E. PROPERTY TAXES

The Township property tax is levied each December 1 on the taxable valuation of property located in the Township as of the preceding December 31. Taxable values are established annually by the county and are equalized by the state at an estimated 50 percent of current market value. Real and personal property in the Township for the 2004 levy was assessed at an adjusted taxable value of \$107,103,357. The Township's general operating tax rate for the 2004 levy was .7576 mills. Taxes are due and payable by February 28. Delinquent real property taxes are returned to the County Treasurer for collection. In May 2005, the county revolving fund paid the Township for the delinquent real taxes.

Michigan personal property tax assessments have been based, since the 1960's, on the use of one or more of several different multiplier tables formulated by the State Tax Commission against taxpayer reported original cost, depending on the assessor's view of the average life of the personal property. The State Tax Commission has indicated that it plans to reformulate the multipliers. The State Tax Tribunal has informally indicated that once the new multipliers are approved, it may allow them to be applied retroactively in pending personal property tax appeals.

F. MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

TOWNSHIP OF LYNDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. DEPOSITS AND INVESTMENTS

The Township's cash and cash equivalents are considered to be demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Township to deposit in the accounts of federally insured banks, credit union, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, bankers acceptances, and mutual funds composed of other wise legal investments.

I. RECEIVABLES

All receivables are reported at their net value by being reduced, where appropriate, by the estimated portion that is expected to be uncollectible.

J. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

K. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond March 31, 2005, are recorded as prepaid expenditures

L. INCOME TAXES

As a governmental agency, the Township is exempt from both federal income taxes and Michigan Single Business Tax.

TOWNSHIP OF LYNDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2005

NOTE 2 - DESCRIPTION OF REPORTING ENTITY

In accordance with Governmental Accounting Standards Board (GASB) statement number 39, all funds, agencies, and activities of the Township of Lyndon as the primary government have been included in the financial statements.

The following potential component units has been evaluated under the criteria established by GASB statement number 39 and determined not to be component units based on financial independence and accountability:

1. Multi Lake Sewer and Water Authority - The Township of Lyndon appoints two members of the authority's six member board. The authority is fiscally independent from the township. The authority is audited as an independent entity in compliance with Public Act 2.
2. Chelsea Area Construction Agency - Lyndon Township appoints one member of the agency's six member board. The agency is fiscally independent from the township. The agency is audited as an independent entity in compliance with Public Act 2.
3. Leoni Regional Utility Authority - The authority is an interlocal agreement which includes several area townships. Lyndon Township appoints one member to the authority's board. The authority is audited as an independent entity in compliance with Public Act 2.
4. Sylvan Township Sewer and Water Authority - The Township of Lyndon appoints one member of the authority's five member board. The authority is fiscally independent from the township. The authority is a component unit of Sylvan Township, Washtenaw County.
5. Western Washtenaw Recycling Authority - The Township of Lyndon appoints one member of the authority's eight member board. The authority is fiscally independent from the township. The authority is audited as an independent entity in compliance with Public Act 2.

NOTE 3 - INTERFUND BALANCES

All interfund balances are short-term in character. Interfund transfers will be collected during the next reporting period. The amounts of interfund receivables and payables are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General Fund	\$ 6,363	Current Tax Fund	\$ 6,363
Fire Fund	695	Current Tax Fund	695
Fire Fund	29,361	General Fund	29,361
Trust and Agency Fund	<u>10,581</u>	General Fund	<u>10,581</u>
	<u>\$ 47,000</u>		<u>\$ 47,000</u>

TOWNSHIP OF LYNDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2005

NOTE 4 - DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the Public Employees Benefit Services Corporation (PEBSO). The assets of the plan are held in a trust for the exclusive benefit of the participants and their beneficiaries.

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended march 31, 2005 was as follows:

	Balance 4/1/04	Additions	Deletions	Balance 3/31/05
Land	\$ 108,310	\$	\$	\$ 108,310
Buildings and improvements	40,700	63,193		103,893
Equipment	<u>5,017</u>	<u>5,000</u>	<u></u>	<u>10,017</u>
Total capital assets	154,027	68,193		222,220
Accumulated depreciation	<u>(12,457)</u>	<u>(5,137)</u>	<u></u>	<u>(17,594)</u>
Governmental activities capital asset, net	<u>\$ 141,570</u>	<u>\$ 63,056</u>	<u>\$</u>	<u>\$ 204,626</u>

Depreciation expense is being recorded in the government-wide statement of activities based upon the fund and activity utilizing the assets. The Township utilizes the straight line method to depreciate capital assets over their estimated useful lives. No debt is associated with these capital assets. Depreciation expense was allocated to the following activities:

General government	<u>\$ 5,137</u>
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TOWNSHIP OF LYNDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2005

NOTE 6 - LONG-TERM DEBT

The following is a summary of Township special assessment debt for the year ended March 31, 2005:

	<u>Balance 4/1/04</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 3/31/05</u>
Bonds payable to the County of Washtenaw used to finance Multi Lake Sanitary Sewer System; Phase 1; interest charged at 5.1% to 7.1%.	\$ 348,300	\$	\$ 348,300	\$
Bonds payable to the County of Washtenaw used to finance Multi Lake Sanitary Sewer System Phase II; interest charged at 3.0% to 5.0% matures 2020.	2,663,167		178,204	2,484,963
Bonds payable to the county of Washtenaw used to finance Sylvan Township water and sewer authority sewer system. Interest charged at 1.38% to 4.375% and matures in 2022.	<u> </u>	<u>2,613,765</u>	<u>145,315</u>	<u>2,468,450</u>
	<u>\$ 3,011,467</u>	<u>\$ 2,613,765</u>	<u>\$ 671,819</u>	<u>\$ 4,953,413</u>

TOWNSHIP OF LYNDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2005

NOTE 6 - LONG-TERM DEBT (continued)

The following is a schedule of principal and interest payments to service the long-term obligation of the Township:

<u>Years</u>	County of Washtenaw Sugar Loaf Sewer Bonds Sewer System Bonds I		County of Washtenaw Multi Lake Sanitary Sewer II		Total	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 166,075	\$ 101,050	\$ 178,205	\$ 112,375	\$ 344,280	\$ 213,425
2007	255,500	81,048	178,205	106,472	433,705	187,520
2008	255,500	74,660	178,205	99,790	433,705	174,450
2009	255,500	68,273	178,205	92,550	433,705	160,823
2010	153,300	62,780	178,205	85,087	331,505	147,867
2011 - 2015	608,090	246,545	792,020	319,480	1,400,110	566,025
2016 - 2020	574,875	132,940	792,020	136,779	1,366,895	269,719
2021 - 2022	<u>344,925</u>	<u>22,435</u>	<u>158,402</u>	<u>3,960</u>	<u>503,327</u>	<u>26,395</u>
Total	2,613,765	789,731	2,633,467	956,493	5,247,232	1,746,224
Less: current portion recorded in debt service fund	<u>(145,315)</u>	<u>(51,563)</u>	<u>(148,504)</u>	<u>(47,983)</u>	<u>(293,819)</u>	<u>(99,546)</u>
Total	<u>\$2,468,450</u>	<u>\$ 738,168</u>	<u>\$ 2,484,963</u>	<u>\$ 908,510</u>	<u>\$ 4,953,413</u>	<u>\$ 1,648,678</u>

TOWNSHIP OF LYNDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2005

NOTE 7 - DEPOSITS WITH FINANCIAL INSTITUTIONS

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit union, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal Agency obligation repurchase agreements; bankers; acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The investment policy adopted by the board is in accordance with Act 196 PA 1997. The Township's deposits and investments are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's deposits and investments are as follows:

<u>Deposits</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured	\$ 400,000	\$ 400,000
Uninsured and uncollateralized	<u>2,462,795</u>	<u>2,595,062</u>
Total deposits	<u>\$ 2,862,795</u>	<u>\$ 2,995,062</u>

The carrying amount above includes funds from:

Primary government	\$ 2,817,454
Fiduciary funds	<u>45,341</u>
	<u>\$ 2,862,795</u>

TOWNSHIP OF LYNDON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2005

NOTE 8 - IMPLEMENTATION OF GASB STATEMENT NO. 34

The Township has implemented the standards required by GASB Statement No. 34 for the year ended March 31, 2005. All required statements and disclosures have been included in the basic financial statements.

NOTE 9 - STATE GRANT ACTIVITIES

The Township of Lyndon was a recipient of a grant from the State of Michigan totaling \$5,000 to purchase specific voting equipment. The grant received is subject to financial and compliance by the grantors or their representatives.

REQUIRED
SUPPLEMENTARY
INFORMATION

TOWNSHIP OF LYNDON
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - AMENDED BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2005

	Budgets			Variance Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 73,500	\$ 73,500	\$ 81,142	\$ 7,642
Licenses and permits	15,000	15,000	18,610	3,610
State shared revenues	171,806	171,806	168,648	(3,158)
Charges for services	39,000	39,000	49,037	10,037
Miscellaneous revenues	<u>5,500</u>	<u>5,500</u>	<u>14,284</u>	<u>8,784</u>
Total revenues	<u>304,806</u>	<u>304,806</u>	<u>331,721</u>	<u>26,915</u>
EXPENDITURES				
Township board	51,675	51,675	41,139	10,536
Supervisor	28,550	28,550	24,682	3,868
Elections	13,000	15,000	15,089	(89)
Ordinance officer	20,353	20,353	17,645	2,708
Assessor	24,550	24,550	23,778	772
Clerk	37,300	37,300	39,298	(1,998)
Board of review	1,850	1,850	1,372	478
Treasurer	33,700	33,700	30,829	2,871
Township hall and grounds	18,200	18,200	16,845	1,355
Unallocated	34,500	34,500	50,801	(16,301)
Planning commission	10,300	8,300	5,863	2,437
Zoning board of appeals	3,650	3,650	2,136	1,514
Roads	<u>15,000</u>	<u>15,000</u>	<u>11,148</u>	<u>3,852</u>
Total expenditures	<u>292,628</u>	<u>292,628</u>	<u>280,625</u>	<u>12,003</u>
Excess (deficiency) of revenues over expenditures before other financing (uses)	12,178	12,178	51,096	38,918
OTHER FINANCING (USES)				
Transfers (out)	<u>(9,600)</u>	<u>(9,600)</u>	<u>(60,028)</u>	<u>(50,428)</u>
Excess of revenues over (under) expenditures and other financing (uses)	2,578	2,578	(8,932)	(11,510)
FUND BALANCE, APRIL 1, 2004	<u>268,666</u>	<u>268,666</u>	<u>268,666</u>	
FUND BALANCE, MARCH 31, 2005	<u>\$ 271,244</u>	<u>\$ 271,244</u>	<u>\$ 259,734</u>	<u>\$ (11,510)</u>

LYNDON TOWNSHIP
FIRE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2005

	Budgets			Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Special assessments	\$	\$	\$ 156,643	\$
Fire runs			3,652	
Interest			929	
Total revenues	<u>159,112</u>	<u>159,112</u>	<u>161,224</u>	<u>2,112</u>
EXPENDITURES				
Fire authority contract			102,893	
Equipment fund			8,617	
Transportation			199	
Total expenditures	<u>151,428</u>	<u>151,428</u>	<u>111,709</u>	<u>39,719</u>
Excess of revenues over (under) expenditures	7,684	7,684	49,515	41,831
FUND BALANCE, APRIL 1, 2004	<u>120,754</u>	<u>120,754</u>	<u>120,754</u>	
FUND BALANCE, MARCH 31, 2005	<u>\$ 128,438</u>	<u>\$ 128,438</u>	<u>\$ 170,269</u>	<u>\$ 41,831</u>

SUPPLEMENTARY
INFORMATION

COMBINING
STATEMENTS

TOWNSHIP OF LYNDON
ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2005

	<u>Fire Fund</u>	<u>Waste Fund</u>	<u>Public Improvement Fund</u>	<u>Totals</u>
<u>ASSETS</u>				
ASSETS				
Cash	\$ 117,956	\$ 5,184	\$ 165,212	\$ 288,352
Taxes receivable	8,864			8,864
Due from other funds	30,056			30,056
Prepaid expenditures	<u>13,393</u>			<u>13,393</u>
Total assets	<u>\$ 170,269</u>	<u>\$ 5,184</u>	<u>\$ 165,212</u>	<u>\$ 340,665</u>
<u>FUND BALANCE</u>				
FUND BALANCE	<u>\$ 170,269</u>	<u>\$ 5,184</u>	<u>\$ 165,212</u>	<u>\$ 340,665</u>

TOWNSHIP OF LYNDON
ALL DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2005

	Multi-Lake Phase I Debt Service Fund	Multi-Lake Phase II Debt Service Fund	Sugarloaf Debt Service Fund	Totals
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$ 13,805	\$ 1,204,837	\$ 1,069,194	\$ 2,287,836
Due from state			350,000	350,000
Due from county	2,113	18,060	13,928	34,101
Special assessment receivable	<u>123,390</u>	<u>1,980,292</u>	<u>1,973,764</u>	<u>4,077,446</u>
Total assets	<u>\$ 139,308</u>	<u>\$ 3,203,189</u>	<u>\$ 3,406,886</u>	<u>\$ 6,749,383</u>
<u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES				
Deferred revenue	\$ 123,390	\$ 1,980,292	\$ 1,973,764	\$ 4,077,446
Accrued interest payable		47,983	51,564	99,547
Bond payable	<u></u>	<u>148,504</u>	<u>145,315</u>	<u>293,819</u>
Total liabilities	123,390	2,176,779	2,170,643	4,470,812
FUND BALANCE				
Fund balance	<u>15,918</u>	<u>1,026,410</u>	<u>1,236,243</u>	<u>2,278,571</u>
Total liabilities and fund balance	<u>\$ 139,308</u>	<u>\$ 3,203,189</u>	<u>\$ 3,406,886</u>	<u>\$ 6,749,383</u>

TOWNSHIP OF LYNDON
ALL AGENCY FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2005

	<u>Current Tax Collection</u>	<u>Trust and Agency</u>	<u>Totals</u>
ASSET			
Cash	\$ 12,001	\$ 33,340	\$ 45,341
Due from other funds	<u> </u>	<u>10,581</u>	<u>10,581</u>
Total assets	<u>\$ 12,001</u>	<u>\$ 43,921</u>	<u>\$ 55,922</u>
LIABILITIES			
Due to other funds	\$ 7,058	\$	\$ 7,058
Due to others	<u>4,943</u>	<u>43,921</u>	<u>48,864</u>
Total liabilities	<u>\$ 12,001</u>	<u>\$ 43,921</u>	<u>\$ 55,922</u>

TOWNSHIP OF LYNDON
ALL SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED MARCH 31, 2005

	<u>Fire Fund</u>	<u>Waste Fund</u>	<u>Public Improvement Fund</u>	<u>Totals</u>
<u>REVENUES</u>				
REVENUES				
Special assessments	\$ 156,643	\$	\$	\$ 156,643
Fire run charges	3,652			3,652
Charges for services		2,439		2,439
Interest	<u>929</u>	<u>60</u>	<u>3,562</u>	<u>4,551</u>
Total revenues	161,224	2,499	3,562	167,285
EXPENDITURES				
Fire protection	111,709			111,709
Waste removal		8,240		8,240
Project costs - township hall	<u></u>	<u></u>	<u>107,827</u>	<u>107,827</u>
Total expenditures	<u>111,709</u>	<u>8,240</u>	<u>107,827</u>	<u>227,776</u>
Excess of revenues over (under) expenditures	49,515	(5,741)	(104,265)	(60,491)
OTHER FINANCING SOURCES				
Transfers in	<u></u>	<u>9,600</u>	<u>50,428</u>	<u>60,028</u>
Excess of revenues over (under) expenditures	49,515	3,859	(53,837)	(463)
FUND BALANCE, APRIL 1, 2004	<u>120,754</u>	<u>1,325</u>	<u>219,049</u>	<u>341,128</u>
FUND BALANCE, MARCH 31, 2005	<u>\$ 170,269</u>	<u>\$ 5,184</u>	<u>\$ 165,212</u>	<u>\$ 340,665</u>

TOWNSHIP OF LYNDON
ALL DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2005

	Multi-Lake Phase I Debt Service Fund	Multi Lake Phase II Debt Service Fund	Sugarloaf Debt Service Fund	Totals
REVENUES				
Special assessments – principal	\$ 13,710	\$ 314,044	\$ 375,846	\$ 703,600
Special assessment – interest	8,752	126,570	104,263	239,585
User fees	10,920		9,685	20,605
Miscellaneous			724	724
Interest	<u>5,494</u>	<u>4,347</u>	<u>13,733</u>	<u>23,574</u>
Total revenues	<u>38,876</u>	<u>444,961</u>	<u>504,251</u>	<u>988,088</u>
EXPENDITURES				
Project costs			2,613,930	2,613,930
Debt service				
Principal	348,300	178,205	145,316	671,821
Interest	17,161	115,715	51,563	184,439
Agent fees	<u>11,670</u>	<u></u>	<u></u>	<u>11,670</u>
Total expenditures	<u>377,131</u>	<u>293,920</u>	<u>2,810,809</u>	<u>3,481,860</u>
Excess of revenues over (under) expenditures	(338,255)	151,041	(2,306,558)	(2,493,772)
OTHER FINANCING SOURCES (USES)				
Bond proceeds			2,613,765	2,613,765
Transfers in	30,100			30,100
Transfers (out)	<u></u>	<u>(30,100)</u>	<u></u>	<u>(30,100)</u>
Total other financing sources (uses)	<u>30,100</u>	<u>(30,100)</u>	<u>2,613,765</u>	<u>2,613,765</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	(308,155)	120,941	307,207	119,993
FUND BALANCE, APRIL 1, 2004	<u>324,073</u>	<u>905,469</u>	<u>929,036</u>	<u>2,158,578</u>
FUND BALANCE, MARCH 31, 2005	<u>\$ 15,918</u>	<u>\$ 1,026,410</u>	<u>\$ 1,236,243</u>	<u>\$ 2,278,571</u>

INDIVIDUAL
FUNDS

GENERAL
FUND

TOWNSHIP OF LYNDON
GENERAL FUND
BALANCE SHEET
MARCH 31, 2005

ASSETS

ASSETS

Cash	\$ 241,266	
Accounts receivable – projects	19,687	
Taxes receivable	6,864	
State shared revenue receivable	26,232	
Due from other fund	<u>6,363</u>	
Total assets		<u>\$ 300,412</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 736	
Due to other funds	<u>39,942</u>	
Total liabilities		\$ 40,678

FUND BALANCE

		<u>259,734</u>
Total liabilities and fund balance		<u>\$ 300,412</u>

TOWNSHIP OF LYNDON
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - AMENDED BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 73,500	\$ 81,142	\$ 7,642
Licenses and permits	15,000	18,610	3,610
State shared revenues	171,806	168,648	(3,158)
Charges for services	39,000	49,037	10,037
Miscellaneous revenues	<u>5,500</u>	<u>14,284</u>	<u>8,784</u>
Total revenues	<u>304,806</u>	<u>331,721</u>	<u>26,915</u>
EXPENDITURES			
Township board	51,675	41,139	10,536
Supervisor	28,550	24,682	3,868
Elections	15,000	15,089	(89)
Ordinance officer	20,353	17,645	2,708
Assessor	24,550	23,778	772
Clerk	37,300	39,298	(1,998)
Board of review	1,850	1,372	478
Treasurer	33,700	30,829	2,871
Township hall and grounds	18,200	16,845	1,355
Unallocated	34,500	50,801	(16,301)
Planning commission	8,300	5,863	2,437
Zoning board of appeals	3,650	2,136	1,514
Roads	<u>15,000</u>	<u>11,148</u>	<u>3,852</u>
Total expenditures	<u>292,628</u>	<u>280,625</u>	<u>12,003</u>
Excess (deficiency) of revenues over expenditures before other financing (uses)	12,178	51,096	38,918
OTHER FINANCING (USES)			
Transfers (out)	<u>(9,600)</u>	<u>(60,028)</u>	<u>(50,428)</u>
Excess of revenues over (under) expenditures and other financing (uses)	2,578	(8,932)	(11,510)
FUND BALANCE, APRIL 1, 2004	<u>268,666</u>	<u>268,666</u>	<u> </u>
FUND BALANCE, MARCH 31, 2005	<u>\$ 271,244</u>	<u>\$ 259,734</u>	<u>\$ (11,510)</u>

TOWNSHIP OF LYNDON
GENERAL FUND
STATEMENT OF REVENUES - AMENDED BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
TAXES			
Current property taxes	<u>\$ 73,500</u>	<u>\$ 81,142</u>	<u>\$ 7,642</u>
LICENSES AND PERMITS	<u>15,000</u>	<u>18,610</u>	<u>3,610</u>
STATE SHARED REVENUES	<u>171,806</u>	<u>168,648</u>	<u>(3,158)</u>
CHARGES FOR SERVICES			
Elections		2,464	
Various fees		6,516	
Property tax administration fees	<u> </u>	<u>40,057</u>	<u> </u>
Total charges for services	<u>39,000</u>	<u>49,037</u>	<u>10,037</u>
MISCELLANEOUS REVENUES			
Grant - state		5,000	
Interest on investments		5,909	
Swamp income		2,711	
Miscellaneous	<u> </u>	<u>664</u>	<u> </u>
Total miscellaneous revenues	<u>5,500</u>	<u>14,284</u>	<u>8,784</u>
Total revenues	<u>\$ 304,806</u>	<u>\$ 331,721</u>	<u>\$ 26,915</u>

TOWNSHIP OF LYNDON
GENERAL FUND
STATEMENT OF EXPENDITURES - AMENDED BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
TOWNSHIP BOARD			
Trustee fee	\$	\$ 10,139	\$
Clerical staff		13,300	
Office supplies		1,719	
Audit		4,500	
Legal		7,508	
Computer software		2,546	
Computer consulting		623	
Transportation		257	
Engineering		300	
Printing and publication		247	
	<u>51,675</u>	<u>41,139</u>	<u>10,536</u>
Total township board			
SUPERVISOR			
Supervisor salary		20,800	
Special meeting		2,795	
Office supplies		386	
Printing and publication		85	
Transportation		616	
	<u>28,550</u>	<u>24,682</u>	<u>3,868</u>
Total supervisor			
ELECTIONS			
Wages		9,226	
Office supplies		2,911	
Transportation		358	
Printing and publication		2,001	
Miscellaneous		593	
	<u>15,000</u>	<u>15,089</u>	<u>(89)</u>
Total elections			
ORDINANCE OFFICER			
Wages		11,253	
Special meeting		1,100	
Permits		4,760	
Office supplies		125	
Transportation		407	
	<u>20,353</u>	<u>17,645</u>	<u>2,708</u>
Total ordinance officer			
ASSESSOR			
Assessor wages and fees		23,000	
Supplies and postage		778	
	<u>24,550</u>	<u>23,778</u>	<u>772</u>
Total assessor			

TOWNSHIP OF LYNDON
GENERAL FUND
STATEMENT OF EXPENDITURES - AMENDED BUDGET AND ACTUAL - (continued)
FOR THE YEAR ENDED MARCH 31, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
CLERK			
Clerk salary		29,800	
Special meetings		3,380	
Assistant		2,905	
Supplies and postage		1,912	
Transportation		462	
Printing and publication		646	
Miscellaneous		193	
		<u> </u>	<u> </u>
Total clerk	<u>37,300</u>	<u>39,298</u>	<u>(1,998)</u>
BOARD OF REVIEW			
Wages		1,116	
Printing and publication		256	
		<u> </u>	<u> </u>
Total board of review	<u>1,850</u>	<u>1,372</u>	<u>478</u>
TREASURER			
Treasurer salary		22,300	
Assistant salary		3,867	
Special meetings		1,950	
Supplies and postage		2,119	
Transportation		76	
Printing and publications		510	
Miscellaneous		7	
		<u> </u>	<u> </u>
Total treasurer	<u>33,700</u>	<u>30,829</u>	<u>2,871</u>
TOWNSHIP HALL AND GROUNDS			
Wages		1,792	
Maintenance		5,068	
Supplies		1,915	
Communications		3,224	
Printing and publishing		225	
Internet		329	
Utilities			
Gas		1,981	
Electric		1,124	
Miscellaneous		1,187	
		<u> </u>	<u> </u>
Total township hall and grounds	<u>18,200</u>	<u>16,845</u>	<u>1,355</u>

TOWNSHIP OF LYNDON
GENERAL FUND
STATEMENT OF EXPENDITURES - AMENDED BUDGET AND ACTUAL - (continued)
FOR THE YEAR ENDED MARCH 31, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
UNALLOCATED			
Wages		3,782	
Taxes - payroll		5,975	
Maintenance		1,175	
Membership and dues		2,351	
Insurance and bonds		13,347	
Education and seminars		2,583	
Equipment rental		1,650	
Small equipment		9,087	
Developer escrows		10,581	
Miscellaneous		270	
	<u>34,500</u>	<u>50,801</u>	<u>(16,301)</u>
Total unallocated			
PLANNING COMMISSION			
Wages		2,520	
Miscellaneous		63	
Special projects wages		3,100	
Printing and publication		180	
	<u>8,300</u>	<u>5,863</u>	<u>2,437</u>
Total planning and zoning			
ZONING BOARD OF APPEALS			
Fees		1,565	
Printing and postage		571	
	<u>3,650</u>	<u>2,136</u>	<u>1,514</u>
Total zoning board of appeals			
RECYCLING	<u>9,600</u>		<u>9,600</u>
ROADS	<u>15,000</u>	<u>11,148</u>	<u>3,852</u>
Total expenditures	<u>\$ 292,628</u>	<u>\$ 280,625</u>	<u>\$ 12,003</u>

FIRE
FUND

LYNDON TOWNSHIP
FIRE FUND
BALANCE SHEET
MARCH 31, 2005

ASSETS

ASSETS

Cash	\$ 117,956
Taxes receivable	8,864
Prepaid expenditures	13,393
Due from other fund	<u>30,056</u>

Total current assets

\$ 170,269

FUND BALANCE

FUND BALANCE

\$ 170,269

LYNDON TOWNSHIP
FIRE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$	\$ 156,643	\$
Fire runs		3,652	
Interest		<u>929</u>	
Total revenues	<u>159,112</u>	<u>161,224</u>	<u>2,112</u>
EXPENDITURES			
Fire authority contract		102,893	
Equipment fund		8,617	
Transportation		<u>199</u>	
Total expenditures	<u>151,428</u>	<u>111,709</u>	<u>39,719</u>
Excess of revenues over (under) expenditures	7,684	49,515	41,831
FUND BALANCE, APRIL 1, 2004	<u>120,754</u>	<u>120,754</u>	
FUND BALANCE, MARCH 31, 2005	<u>\$ 128,438</u>	<u>\$ 170,269</u>	<u>\$ 41,831</u>

WASTE
FUND

LYNDON TOWNSHIP
WASTE FUND
BALANCE SHEET
MARCH 31, 2005

ASSETS

ASSETS
Cash

\$ 5,184

FUND BALANCE

FUND BALANCE

\$ 5,184

LYNDON TOWNSHIP
WASTE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Fall clean-up	\$	\$ 2,439	\$
Interest		60	
Total revenues	<u>230</u>	<u>2,499</u>	<u>2,269</u>
EXPENDITURES			
Fall clean-up		5,787	
Land fill closing		<u>2,453</u>	
Total expenditures	<u>10,500</u>	<u>8,240</u>	<u>2,260</u>
Excess of revenues over (under) expenditures	(10,270)	(5,741)	4,529
OTHER FINANCING SOURCE			
Transfer in	<u>9,600</u>	<u>9,600</u>	
Excess of revenues over (under) expenditures and other financing sources	(670)	3,859	4,529
FUND BALANCE, APRIL 1, 2004	<u>1,325</u>	<u>1,325</u>	
FUND BALANCE, MARCH 31, 2005	<u><u>\$ 655</u></u>	<u><u>\$ 5,184</u></u>	<u><u>\$ 4,529</u></u>

PUBLIC
IMPROVEMENT
FUND

LYNDON TOWNSHIP
PUBLIC IMPROVEMENT FUND
BALANCE SHEET
MARCH 31, 2005

ASSETS

ASSETS
Cash

\$ 165,212

FUND BALANCE

FUND BALANCE

\$ 165,212

TOWNSHIP OF LYNDON
PUBLIC IMPROVEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 2,280	\$ 3,562	\$ 1,282
EXPENDITURES			
Project costs – township hall	<u>21,000</u>	<u>107,827</u>	<u>(86,827)</u>
Excess of revenues over (under) expenditures	(18,720)	(104,265)	(85,545)
OTHER FINANCING SOURCE			
Transfer in	<u>100,000</u>	<u>50,428</u>	<u>(49,572)</u>
Excess of revenues over (under) expenditures and other financing sources	81,280	(53,837)	(135,117)
FUND BALANCE, APRIL 1, 2004	<u>219,049</u>	<u>219,049</u>	<u></u>
FUND BALANCE, MARCH 31, 2005	<u>\$ 300,329</u>	<u>\$ 165,212</u>	<u>\$ (135,117)</u>

MULTI LAKE
PHASE I
DEBT
SERVICE
FUND

TOWNSHIP OF LYNDON
MULTI LAKE PHASE I DEBT SERVICE FUND
BALANCE SHEET
MARCH 31, 2005

ASSETS

ASSETS

Cash	\$ 13,805
Due from county	<u>2,113</u>

Total current assets	\$ 15,918
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DEFERRED SPECIAL ASSESSMENT RECEIVABLE	<u>123,390</u>
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Total assets	<u>\$ 139,308</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 123,390
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RESERVED FUND BALANCE	<u>15,918</u>
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Total liabilities and fund balance	<u>\$ 139,308</u>
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TOWNSHIP OF LYNDON
MULTI LAKE PHASE I DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments – principal	\$	\$ 13,710	\$
Special assessments – interest		8,752	
User fees		10,920	
Interest		<u>5,494</u>	
Total revenues	<u>33,382</u>	<u>38,876</u>	<u>5,494</u>
EXPENDITURES			
Bond payment – principal		348,300	
Bond payment – interest		17,161	
Bond fees		<u>11,670</u>	
Total expenditures	<u>351,593</u>	<u>377,131</u>	<u>(25,538)</u>
Excess of revenues over (under) expenditures	(318,211)	(338,255)	(20,044)
OTHER FINANCING SOURCES			
Transfers in		<u>30,100</u>	<u>30,100</u>
Excess (deficiency) of revenues over expenditures and other financing sources	(318,211)	(308,155)	10,056
FUND BALANCE, APRIL 1, 2004	<u>324,073</u>	<u>324,073</u>	
FUND BALANCE, MARCH 31, 2005	<u>\$ 5,862</u>	<u>\$ 15,918</u>	<u>\$ 10,056</u>

MULTI LAKE
PHASE II
DEBT
SERVICE
FUND

TOWNSHIP OF LYNDON
MULTI LAKE PHASE II DEBT SERVICE FUND
BALANCE SHEET
MARCH 31, 2005

ASSETS

ASSETS

Cash	\$ 1,204,837	
Due from county	<u>18,060</u>	
Total current assets		\$ 1,222,897
Deferred special assessment receivable		<u>1,980,292</u>
Total assets		<u>\$ 3,203,189</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 1,980,292	
Accrued interest payable	47,983	
Bond payable	<u>148,504</u>	
Total liabilities		\$ 2,176,779

RESERVED FUND BALANCE		<u>1,026,410</u>
Total liabilities and fund balance		<u>\$ 3,203,189</u>

TOWNSHIP OF LYNDON
MULTI LAKE PHASE II DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments – principal	\$	\$ 314,044	\$
Special assessments – interest		126,570	
Interest		<u>4,347</u>	
Total revenues	264,546	444,961	180,415
EXPENDITURES			
Bond payment – principle		178,205	
Bond payment – interest		<u>115,715</u>	
Total expenditures	<u>1,284,438</u>	<u>293,920</u>	<u>990,518</u>
Excess of revenues over (under) expenditures	(1,019,892)	151,041	1,170,933
OTHER FINANCING (USES)			
Transfers out		<u>(30,100)</u>	<u>(30,100)</u>
Excess of revenues over (under) expenditures and other financing (uses)	(1,019,892)	120,941	1,140,833
FUND BALANCE, APRIL 1, 2004	<u>905,469</u>	<u>905,469</u>	
FUND BALANCE, MARCH 31, 2005	<u>\$ (114,423)</u>	<u>\$ 1,026,410</u>	<u>\$ 1,140,833</u>

SUGARLOAF
DEBT
SERVICE
FUND

TOWNSHIP OF LYNDON
SUGARLOAF DEBT SERVICE FUND
BALANCE SHEET
MARCH 31, 2005

ASSETS

ASSETS

Cash	\$ 1,069,194	
Due from county	13,928	
Due from state	<u>350,000</u>	
Total current assets		\$ 1,433,122
Deferred special assessment receivable		<u>1,973,764</u>
Total assets		<u>\$ 3,406,886</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accrued interest payable	\$ 51,564	
Matured bonds payable	145,315	
Deferred revenues	<u>1,973,764</u>	
Total liabilities		\$ 2,170,643

RESERVED FUND BALANCE		<u>1,236,243</u>
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Total liabilities and fund balance		<u>\$ 3,406,886</u>
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TOWNSHIP OF LYNDON
SUGARLOAF DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
FOR THE YEAR ENDED MARCH 31, 2005

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments – principal	\$	\$ 375,846	\$
Special assessments – interest		104,263	
User fees		9,685	
Interest income		13,733	
Miscellaneous income		<u>724</u>	
Total revenues	883,692	504,251	(379,441)
EXPENDITURES			
Bond payment - principal		145,316	
Bond payment - interest		51,563	
Project costs – sewer		<u>2,613,930</u>	
Total expenditures	<u>969,142</u>	<u>2,810,809</u>	<u>(1,841,667)</u>
Excess of revenues over (under) expenditures and other financing sources	(85,450)	(2,306,558)	(2,221,108)
OTHER FINANCING SOURCES			
Bond proceeds		2,613,765	2,613,765
Excess of revenues over (under) expenditures and other financing sources	(85,450)	307,207	392,657
FUND BALANCE, APRIL 1, 2004	<u>929,036</u>	<u>929,036</u>	
FUND BALANCE, MARCH 31, 2005	<u>\$ 843,586</u>	<u>\$ 1,236,243</u>	<u>\$ 392,657</u>

CURRENT
TAX
COLLECTION
FUND

TOWNSHIP OF LYNDON
CURRENT TAX COLLECTION FUND
BALANCE SHEET
MARCH 31, 2005

ASSETS

ASSETS
Cash

\$ 12,001

LIABILITIES

LIABILITIES

Due to other funds
Due to others

\$ 7,058
4,943

Total liabilities

\$ 12,001

TRUST
AND
AGENCY
FUND

TOWNSHIP OF LYNDON
TRUST AND AGENCY FUND
BALANCE SHEET
MARCH 31, 2005

ASSETS

ASSETS

Cash

\$ 33,340

Due from other funds

10,581

Total assets

\$ 43,921

LIABILITIES

LIABILITIES

Due to others

\$ 43,921

TOWNSHIP OF LYNDON

COMMENTS
AND
RECOMMENDATIONS

FOR THE YEAR ENDED MARCH 31, 2005



PFEFFER ■ HANNIFORD ■ PALKA
Certified Public Accountants

John M. Pfeffer, C.P.A.
Patrick M. Hanniford, C.P.A.
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July 18, 2005

Board of Trustees
Township of Lyndon
17751 N. Territorial Road
Chelsea, Michigan 48118

Honorable Board of Trustees:

In planning and performing our audit of the financial statements of the Township of Lyndon for the year ended March 31, 2005, we considered the Township's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of matters that are an opportunity for strengthening internal controls and operating efficiency.

- A procurement policy with the appropriate bidding procedures should be established.
- A review and update of the Township retirement plan should be initiated.

This letter does not affect our report dated July 18, 2005, on the financial statements of the Township of Lyndon.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and recommendations with various Township personnel, and we will be pleased to discuss them in further detail at your convenience.

This report is intended solely for the information and use of the Township Board and is not intended to be and should not be used by any other party.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants